

**Housing Authority of the
CITY OF PONCHATOULA**
Ponchatoula, Louisiana

**Annual Financial Report
As of and for the Year Ended June 30, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/27/10

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA
Ponchatoula, Louisiana
Basic Financial Statements
As of and for the Year Ended June 30, 2009
With Supplemental Information Schedules

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the City of Ponchatoula
Ponchatoula, Louisiana

I have audited the accompanying basic financial statements of the Housing Authority of the City of Ponchatoula (the authority) as of and for the year ended June 30, 2009, as listed in the table of contents. These basic financial statements are the responsibility of the authority's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly in all material respects, the financial position of the Housing Authority of the City of Ponchatoula as of June 30, 2009, and the respective changes in financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Independent Auditor's Report, 2009

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In accordance with *Government Auditing Standards*, I have also issued my report dated October 30, 2009 on my consideration of the authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The management's discussion and analysis listed in the table of contents, is not a required part of the basic financial statements but is supplemental information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements which collectively comprise the authority's basic financial statements. The financial data schedule and other supplementary information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the authority. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the authority. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

William Daniel McCaskill

William Daniel McCaskill, CPA
A Professional Accounting Corporation

October 30, 2009

HOUSING AUTHORITY OF PONCHATOULA, LA

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

June 30, 2009

Housing Authority of Ponchatoula, LA
Management's Discussion and Analysis (MD&A)
June 30, 2009

The management of Public Housing Authority of Ponchatoula, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending June 30, 2009. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

FINANCIAL HIGHLIGHTS

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$2,111,031 at the close of the fiscal year ended 2009.
 - ✓ Of this amount \$1,645,497 represents a restriction equal to the net amount invested in land, building, furnishings, leasehold improvements, equipment, and construction in progress.
 - ✓ Also of this amount, \$44,848 of net assets are restricted for the Housing Choice Voucher program
 - ✓ The remainder of \$420,686 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 49% of the total operating expenses of \$853,296 for the fiscal year 2009, which means the Authority might be able to operate about 6 months using the unrestricted assets alone, which compares favorably with 4 months in the prior fiscal year.
- The Housing Authority's total net assets increased by \$190,566, a 10% change from the prior fiscal year 2008. This increase is attributable to significant increases in Federal grants for both operations and capital improvements, described in more detail below.
- The increase in net assets of these funds was accompanied by an increase in unrestricted cash by \$172,112 from fiscal year 2008, primarily due to spending \$163,995 less for operations than Federal funds received for operations.
- The Authority spent \$242,397 on capital improvements during the current fiscal year.
- These changes led to an increase in total assets by \$248,650 and an increase in total liabilities by \$58,084. As related measure of financial health, there are still over \$4 of current assets covering each dollar of total current and long-term liabilities, which compares favorably with \$4 covering the prior fiscal year's liabilities.
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OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed, and whether there are inadequacies in the Authority's internal controls.

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2009?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

The Housing Authority accounts for all financial activity in a single enterprise fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Housing Authority's financial statements report its net assets and changes in them. One can think of the Housing Authority's net assets – the difference between assets and liabilities – as one way to measure the Authority's financial health, or financial position. Over time, increases and decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

- Low Rent Public Housing
- Housing Choice Vouchers
- Public Housing Capital Fund Program

Housing Authority of Ponchatoula, LA
 Management's Discussion and Analysis (MD&A)
 June 30, 2009

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

FINANCIAL ANALYSIS

The Housing Authority's net assets were \$2,111,031 as of June 30, 2009. Of this amount, \$1,645,497 was invested in capital assets, and the remaining \$420,686 was unrestricted. There was \$44,848 in specific assets restricted for the Housing Choice Voucher program.

CONDENSED FINANCIAL STATEMENTS

**Condensed Balance Sheet
 (Excluding Interfund Transfers)
 As of June 30, 2009**

	<u>2009</u>	<u>2008</u>
ASSETS		
Current assets	\$ 585,417	\$ 427,345
Assets restricted for the Housing Choice Voucher program.	44,848	24,572
Capital assets, net of depreciation	1,645,497	1,575,194
Total assets	<u>2,275,762</u>	<u>2,027,111</u>
LIABILITIES		
Current liabilities	120,612	53,443
Non-current liabilities	44,119	53,203
Total liabilities	<u>164,731</u>	<u>106,646</u>
NET ASSETS		
Invested in capital assets, net of depreciation	1,645,497	1,575,194
Net assets restricted for the Housing Choice Voucher program	44,848	24,573
Unrestricted net assets	420,686	320,698
Total net assets	<u>2,111,031</u>	<u>1,920,465</u>
Total liabilities and net assets	<u>2,275,762</u>	<u>2,027,111</u>

Housing Authority of Ponchatoula, LA
 Management's Discussion and Analysis (MD&A)
 June 30, 2009

CONDENSED FINANCIAL STATEMENTS (Continued)

The net assets of these funds increased by \$190,566, or by 10%, from those of fiscal year 2008, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

**Condensed Statement of Revenues, Expenses, and Changes in Fund Net Assets
 (Excluding Interfund Transfers)
 Fiscal Year Ended June 30, 2009**

	<u>2009</u>	<u>2008</u>
OPERATING REVENUES		
Tenant rental revenue	\$ 257,713	\$ 235,126
Federal grants for operations	519,637	461,499
Other tenant revenue	1,000	1,200
Total operating revenues	<u>778,350</u>	<u>697,825</u>
OPERATING EXPENSES		
Federal Housing Assistance Payments (HAP) to landlords	187,895	179,445
Administration	182,431	207,861
Depreciation	172,094	179,724
Maintenance and repairs	163,086	153,404
General	69,431	59,903
Utilities	45,105	46,401
Protective services	17,873	23,240
Extraordinary repairs	15,380	-
Total operating expenses	<u>853,295</u>	<u>849,978</u>
(Losses) from operations	<u>(74,945)</u>	<u>(152,153)</u>
NON-OPERATING REVENUES		
Other non-tenant revenue	15,000	27,630
Interest income	8,114	15,092
Total Non-Operating Revenues	<u>23,114</u>	<u>42,722</u>
(Losses) after non-operating revenues	<u>(51,831)</u>	<u>(109,431)</u>
OTHER CHANGES IN NET ASSETS		
Federal grants for capital expenditures	<u>242,397</u>	<u>108,537</u>
NET INCREASE (DECREASE) IN NET ASSETS	<u>190,566</u>	<u>(894)</u>
NET ASSETS, beginning of fiscal year	<u>1,920,465</u>	<u>1,921,359</u>
NET ASSETS, end of fiscal year	<u>2,111,031</u>	<u>1,920,465</u>

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating and non-operating revenues increased \$194,779, or by 23%, from a combination of larger offsetting factors. Reasons for most of this change are listed below in order of impact from greatest to least:

- Federal Capital Funds from HUD increased by 123% from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2006 through 2008, and submitted a new grant during fiscal year 2010.
- Federal revenues from HUD for operations increased by \$58,138, or by 13% from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, and other factors, and then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received from HUD depends upon an eligibility scale of each tenant. There was an increase in the number of eligible tenants receiving subsidies, so Housing Assistance Grants increased accordingly, lowering the overall total.
- Total tenant revenue increased by \$22,387, or by 9% from that of the prior fiscal year, because occupancy rates increased by 2%, and because the amount of rent each tenant pays is based on a sliding scale of their personal income. Some tenants' personal incomes increased, so rent revenue from these tenants increased accordingly, raising the overall total.
- Total other non-operating revenue decreased by \$12,178, or by 45% from that of the prior fiscal year, because the Authority received income in the prior fiscal year that it did not receive in the current fiscal year.
- Interest income decreased by \$6,975, or by 42% from that of the prior fiscal year.

Compared with the prior fiscal year, total operating and non-operating expenses increased \$3,318, or by just 0.4%, but this also was made up of a combination of much larger, offsetting factors. Again, reasons for most of this change are listed below in order of impact from greatest to least:

- Administrative Expenses decreased by \$26,157, or by 13% from that of the prior fiscal year, due to a combination of factors: Administrative staff salaries decreased by \$13,913, or by 13%, and related employee benefit contributions decreased by \$2,668, or by 7%; therefore, total staff salaries and benefit costs decreased by 11%. Finally, staff travels reimbursements decreased by \$3,602, or by 19%, and sundry expenses decreased by \$9,734, or by 59%; therefore, other staff administrative expense decreased by 55%.
- Maintenance and repairs increased by \$9,682, or by 6% from that of the prior fiscal year, due to several major factors: Repair staff wages increased by \$3,464, or by 6%, but related employee benefit contributions decreased by \$3,090, or by 13%. Also, materials used increased by \$2,106, or by 13%, and contract labor costs increased by \$7,201, or by 14%. In addition, Extraordinary maintenance increased by \$15,380 from that of the prior fiscal year.
- General Expenses increased by \$9,528 or by 16% from that of the prior fiscal year, primarily because compensated absence expense increased \$8,781.

Housing Authority of Ponchatoula, LA
 Management's Discussion and Analysis (MD&A)
 June 30, 2009

- Housing Assistance Payments to landlords increased by \$8,450, or by 5% from that of the prior fiscal year, because there was an increase in the number of tenants qualifying for subsidy during the year. Consequently, revenues from HUD for these subsidies increased by \$12,385.
- Depreciation expense decreased by \$7,630, or by 4% from that of the prior fiscal year.
- Protective services decreased by \$5,367 from that of the prior fiscal year, primarily because contract labor decreased by 24%.
- Tenant services and Utilities, totaling \$45,832, did not change significantly from the prior to the current year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2009, the Housing Authority had a total cost of \$6,894,136 invested in a broad range of assets and construction in progress from projects funded in 2006 through 2008, listed below. This amount, not including depreciation, represents increases of \$242,397 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

**Capital Assets, Net of Accumulated Depreciation
 As of June 30, 2009**

	<u>2009</u>	<u>2008</u>
Land	\$ 78,941	\$ 78,941
Buildings	1,242,805	1,123,145
Leasehold improvements	317,344	351,213
Furniture and equipment	6,407	21,895
	<u>1,645,497</u>	<u>1,575,194</u>
Total		

As of the end of the 2009 fiscal year, the Authority is still in the process of completing HUD grants of \$479,335 obtained during 2006 through 2008 fiscal years. A total remainder of \$53,550 will be received and spent for completing these projects during fiscal year 2010.

Housing Authority of Ponchatoula, LA
Management's Discussion and Analysis (MD&A)
June 30, 2009

Debt

Non-current liabilities also include accrued annual vacation leave due to employees.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for the 2010 fiscal year have already been submitted to HUD for approval and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Wanda Wells, at Public Housing Authority of Ponchatoula, Louisiana; P.O. Box 783; Ponchatoula, LA 70454.

Exhibit A

**Housing Authority of the City of Ponchatoula
Ponchatoula, Louisiana
Statement of Net Assets
As of June 30, 2009**

ASSETS**Current assets**

Cash and cash equivalents	527,458
Receivables:	
Tenant rents, net of allowance	260
Prepaid insurance	28,133
Inventory, net of allowance	<u>8,685</u>
Total current assets	<u>564,537</u>

Restricted assets

Cash and cash equivalents	<u>65,728</u>
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Noncurrent assets**Capital assets:****Nondepreciable capital assets:**

Land	<u>78,941</u>
Total nondepreciable capital assets	<u>78,941</u>

Depreciable capital assets:

Buildings and improvements	6,687,519
Furniture and equipment	127,676
Less accumulated depreciation	<u>(5,248,639)</u>
Total depreciable capital assets, net of accumulated depreciation	<u>1,566,556</u>

Total capital assets, net of accumulated depreciation	<u>1,645,497</u>
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Total assets	<u>2,275,761</u>
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(continued)

Exhibit A

**Housing Authority of the City of Ponchatoula
Ponchatoula, Louisiana
Statement of Net Assets
As of June 30, 2009**

LIABILITIES**Current Liabilities**

Accounts payable	15,025
Payable to other governments	30,857
Accrued wages payable	922
Accrued compensated absences	5,650
Deferred revenue	<u>47,427</u>

Total current liabilities	<u>99,882</u>
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Liabilities Payable from Restricted Assets

Security deposit liability	<u>20,880</u>
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Noncurrent liabilities

Accrued compensated absences	<u>44,119</u>
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Total noncurrent liabilities	<u>44,119</u>
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Total liabilities	<u>164,881</u>
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NET ASSETS

Invested in capital assets, net of related debt	1,645,497
Restricted	44,848
Unrestricted	<u>420,536</u>

Total net assets	<u><u>\$ 2,110,881</u></u>
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The accompanying notes are an integral part of these financial statements.

Exhibit B

Housing Authority of the City of Ponchatoula
Ponchatoula, Louisiana
Statement of Revenues, Expenses, and Changes In Net Assets
For the Year ended June 30, 2009

Operating Revenues	
Annual contributions - Housing Assistance Payments	\$ 208,171
HUD administrative fee	29,441
Operating Grants	282,025
Dwelling Rental	257,713
Other Operating	<u>1,000</u>
Total operating revenues	<u>778,350</u>
Operating Expenses	
Housing Assistance Payments	187,895
General and administrative	251,286
Repairs and maintenance	163,086
Utilities	45,105
Tenant services	726
Protection services	17,873
Depreciation and amortization	<u>172,094</u>
Total operating expenses	<u>838,066</u>
Operating income (loss)	(59,716)
Nonoperating Revenues (Expenses):	
Interest revenue	8,116
Miscellaneous revenues	15,000
Miscellaneous (expenses)	<u>(15,380)</u>
Total nonoperating revenues (expenses)	<u>7,735</u>
Income (loss) before other revenues, expenses, gains, losses and transfers	(51,981)
Capital contributions (grants)	242,397
Increase (decrease) in net assets	190,416
Net assets, beginning of year	<u>1,920,464</u>
Net assets, end of year	<u><u>\$ 2,110,881</u></u>

The accompanying notes are an integral part of these financial statements.

Exhibit C

**Housing Authority of the City of Ponchatoula
Statement of Cash Flows
For the Year ended June 30, 2009**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from federal subsidies	\$ 570,945
Receipts from tenants	259,402
Payments to landlords	(187,895)
Payments to suppliers	(318,203)
Payments to employees	<u>(159,873)</u>
Net cash provided by operating activities	<u>164,376</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Miscellaneous revenues	15,000
Miscellaneous (expenses)	<u>(15,380)</u>
Net cash provided by noncapital financing activities	<u>(380)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from capital grants	242,397
Purchase and construction of capital assets	<u>(242,397)</u>
Net cash (used in) capital and related financing activities	<u>0</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	<u>8,116</u>
Net cash provided by investing activities	<u>8,116</u>
Net increase (decrease) in cash and cash equivalents	<u>172,111</u>
Cash and cash equivalents - beginning of year	<u>421,075</u>
Cash and Cash equivalents - unrestricted	527,458
Cash and Cash equivalents - restricted	65,728
Total Cash and Cash Equivalents - end of year	<u>\$ 593,186</u>

Reconciliation of operating income (loss) to net cash provided by operating activities:

Operating (loss)	\$ (59,716)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation and amortization	172,094
Changes in assets and liabilities:	
Tenant rents, net of allowance	739
Prepaid insurance	(7,041)
Inventories	65
Accounts payable	(2,449)
Accrued wages payable	922
PILOT Payable	21,361
Accrued compensated absences	(8,964)
Deferred Revenues	47,415
Security deposit liability	<u>(50)</u>
Net cash provided by operating activities	<u>\$ 164,375</u>

The accompanying notes are an integral part of the financial statements

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Basic Financial Statements

June 30, 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying basic financial statements of the authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

(1) Reporting Entity

The Housing Authority of The City of Ponchatoula (the authority) was chartered as a public corporation under the laws of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of the City of Ponchatoula, Louisiana. This formation was contingent upon the approval of the city.

The authority is governed by a Board of Commissioners (Board), which is composed of five members appointed by the city and serve five-year staggered terms. The Board of the authority exercises all powers granted to the authority.

GASB Statement No. 14 established criteria for determining the governmental reporting entity. Under provisions of this statement, the authority is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB 14, fiscally independent means that the authority may, without the approval or consent of another governmental entity, determine or modify its own budget, control collection and disbursements of funds, maintain responsibility for funding deficits and operating deficiencies, and issue bonded debt.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Financial Statements, 2009 – Continued

GASB Statements No. 14 and No. 39 establish criteria for determining which, if any, component units should be considered part of the authority for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability, which includes:

1. Appointing a majority of an organization's governing body, and:
 - a. The ability of the government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
2. Organizations for which the government does not appoint a voting majority but are fiscally dependant on the government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the authority has determined that the following component unit should be considered as part of the authority reporting entity:

PHA-Helena Manor, Inc. (CU) is a legally separate entity. The members of the authority's board of commissioners also serve as the board of directors of the entity. The authority has the ability to impose its will on the entity.

The CU was formed for the purpose of facilitating the development and financing of a 30 unit elderly housing facility within the city limits of the City of Ponchatoula. The CU is a partner in the developer partnership. However, since the investment limited partner owns 99+ % interest in the partnership, the CU takes the position that eventual control of the partnership rests with the investment limited partnership.

The partnership has entered into loan agreements and other financing arrangements that may have incurred contingent liabilities on behalf of the CU, but not any that would obligate the PHA. No contingencies have been reported in the PHA financial statements.

The CU does not report any material financial activities as of FYE that are included in the PHA financial statements.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Financial Statements, 2009 – Continued

The authority is a related organization of the City of Ponchatoula, Louisiana since the city appoints a voting majority of the authority's governing board. The city is not financially accountable for the authority as it cannot impose its will on the authority and there is no potential for the authority to provide financial benefit to, or impose financial burdens on, the city. Accordingly, the authority is not a component unit of the financial reporting entity of the city.

(2) Funds

The accounts of the authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

All funds of the authority are classified as proprietary. The general fund accounts for transactions of all of the authority's programs.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the authority's enterprise fund are HUD operating grants and subsidies, Section 8 Housing Assistance Subsidies, Section 8 Management Fees and tenant dwelling rents. Operating expenses include Section 8 Housing Assistance Payments, General and Administrative expenses, repairs and maintenance expenses, utilities and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The accompanying basic financial statements of the authority have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB statement No. 34, Basic Financial Statements and Managements discussion and Analysis—for State and Local Governments, which was unanimously approved in June 1999 by the GASB.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Financial Statements, 2009 – Continued

(3) Measurement focus and basis of accounting

Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this management focus all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

(4) Assets, liabilities, and net assets

(a) Deposits

The authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. HUD regulations, state law and the authority's investment policy allow the housing authority to invest in collateralized certificates of deposit and securities backed by the federal government.

(b) Inventory and prepaid items

All inventories are valued at cost on a first-in first-out (FIFO) basis. Inventories consist of expendable building materials and supplies held for consumption in the course of the authority's operations.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

(c) Restricted Assets

Cash equal to the amount of tenant security deposits and housing assistance payment reserves are recorded as restricted.

(d) Capital assets

Capital assets of the authority are included in the statement of net assets and are recorded at actual cost. The capitalization threshold is \$1,000.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Financial Statements, 2009 – Continued

Depreciation of all exhaustible fixed assets is charged as an expense against operations.

Property, plant, and equipment of the Authority is depreciated using the straight line method over the following estimated useful lives:

Buildings	33 years
Modernization and improvements	15 years
Furniture and equipment	3-7 years

(e) Due from/to other governments or agencies

Amounts due from/to the authority to/by other governments or agencies are generally for HUD grants or programs under which the services have been provided by the authority. The authority also records an amount due to the various taxing districts within the region for payments in lieu of taxes.

(f) Allowance for doubtful accounts

The authority provides an allowance for doubtful accounts, as needed, for accounts deemed not collectible. At June 30, 2009, the management of the authority did not establish an allowance for doubtful accounts.

(g) Compensated absences

It is the authority's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In accordance with the provisions of GASB Statement No. 16, *"Accounting for Compensated Absences,"* vacation and sick pay is accrued when incurred and reported as a liability. Employees earn annual and sick leave according to the policy for state employees. Employees may accumulate an unlimited number of annual leave hours and may receive payment for up to 300 annual leave hours upon termination or retirement at their then current rate of pay. Employees are not compensated for unused sick leave.

(h) Restricted net assets

Net assets are reported as restricted when constraints placed on net asset use are either:

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Financial Statements, 2009 – Continued

Externally imposed by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

(i) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the government-wide financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B – DEPOSITS

Deposits are stated at cost, which approximates fair value. Under state law and/or federal regulation, these deposits, or the resulting bank balances, must be in Federal Securities, secured by federal deposit insurance or the pledge of federal securities. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

As of June 30, 2009, the authority's carrying amount of deposits was \$593,187, which includes the following:

Cash and cash equivalents-unrestricted	\$527,459
Cash and cash equivalents- restricted	65,728
Total	\$593,187

Interest Rate Risk—The authority's policy does not address interest rate risk.

Credit Rate Risk—Since all of the authority's deposits are federally insured and/or backed by federal securities, the authority does not have credit rate risk.

Custodial Credit Risk—This is the risk that in the event of a bank failure, the authority's deposits may not be returned to it. The authority does not have a policy for custodial credit risk. \$250,000 of the authority's total deposits were

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Financial Statements, 2009 – Continued

covered by federal depository insurance, and do not have custodial credit risk. The remaining \$347,103 of deposits have custodial credit risk, but were collateralized with securities held by the pledging financial institution trust department or agent. The bank balances at June 30, 2009 totaled \$597,103.

NOTE C - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2009 was as follows:

	<u>June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustment</u>	<u>June 30, 2009</u>
Nondepreciable Assets:					
Land	78,941				78,941
Construction in Progress	-	-	-	-	-
Depreciable Assets:					
Building and improvements	6,445,122	238,942	-	-	6,684,064
Furniture and equipment	<u>129,106</u>	<u>3,455</u>	<u>1,430</u>	<u>-</u>	<u>131,131</u>
Total	<u>6,653,169</u>	<u>242,397</u>	<u>1,430</u>	<u>-</u>	<u>6,894,136</u>
Less accumulated depreciation					
Building and improvements	4,968,166	159,205	-	-	5,127,371
Furniture and equipment	<u>109,809</u>	<u>12,889</u>	<u>1,430</u>	<u>-</u>	<u>121,268</u>
Total accumulated depreciation	<u>5,077,975</u>	<u>172,094</u>	<u>1,430</u>		<u>5,248,639</u>
Net Capital Assets	<u>1,575,194</u>	<u>70,303</u>	<u>-</u>		<u>1,645,496</u>

NOTE D – CONSTRUCTION COMMITMENTS

The authority has active construction projects as of June 30, 2009. At year end, the commitments with contractors are as follows:

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Financial Statements, 2009 – Continued

<u>Projects</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
CFP 2007	\$111,360	\$2,150
CFP 2008	127,582	25,951
Total	<u>\$238,942</u>	<u>\$28,101</u>

NOTE E – COMPENSATED ABSENCES

At June 30, 2009, employees of the authority have accumulated and vested \$49,769 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements. \$44,119 is reported in long-term debt.

NOTE F - RETIREMENT PLAN

The authority participates in the Housing-Renewal and Local Agency Retirement Plan, administered by Broussard, Bush & Hurst, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment. Plan provisions and changes to the plan contributions are determined by the Board of the authority.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to between eight to twelve percent of each participant's basic (excludes overtime) compensation. Employees are required to contribute five percent of their annual covered salary.

The authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. The authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the authority.

Normal retirement date shall be the first day of the month following the employee's sixty-fifth birthday or after ten years of participation in the plan.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Financial Statements, 2009 – Continued

The authority's total payroll for the year ended June 30, 2009, was \$159,719. The authority's contributions were calculated using the base salary amount of \$113,406. The authority made the required contributions of \$11,155 for the year ended June 30, 2009.

NOTE G – RISK MANAGEMENT

The authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The authority's risk management program encompasses obtaining property and liability insurance.

The authority transfers risk of loss by participating in a public entity risk pool and contracting with a commercial insurance carrier for all major categories of exposed risk.

This includes coverage of property, general liability, public liability, and workers compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the authority's deductions are met.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, there have been no significant claims that have exceeded commercial insurance coverages in any of the past three fiscal years.

NOTE H – FEDERAL COMPLIANCE CONTINGENCIES

The authority is subject to possible examinations by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refund by the entity to federal grantors and/or program beneficiaries.

NOTE I – ECONOMIC DEPENDENCE

Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Financial Statements, 2009 – Continued

the audited entity's revenues. The Department of Housing and Urban Development provided \$762,034 to the authority, which represents approximately 73% of the authority's total revenue for the year.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Housing Authority of the City of Ponchatoula
Ponchatoula, Louisiana

I have audited the financial statements of the Housing Authority of the City of Ponchatoula (the authority), as of and for the year ended June 30, 2009 and have issued my report thereon dated October 30, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the authority's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the authority's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the authority's financial statements that is more than inconsequential will not be prevented or detected by the authority's internal control.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Report on Internal Control... *Government*

Auditing Standards, 2009

Page Two

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the authority's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the authority's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of commissioners and management, others within the organization, the Louisiana Legislative Auditor and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

William Daniel McCaskill

William Daniel McCaskill, CPA
A Professional Accounting Corporation

October 30, 2009

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Commissioners

Housing Authority of the City of Ponchatoula

Ponchatoula, Louisiana

Compliance

I have audited the compliance of the Housing Authority of the City of Ponchatoula (the authority) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the authority's management. My responsibility is to express an opinion on the authority's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the authority's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the authority's compliance with those requirements.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Report on Compliance...A-133, 2009

Page Two

In my opinion, the authority complied, in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the authority's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Report on Compliance...A-133, 2009

Page Three

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above

This report is intended solely for the information and use of the board of commissioners and management, others within the organization, the Louisiana Legislative Auditor and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

William Daniel McCaskill

William Daniel McCaskill, CPA
A Professional Accounting Corporation

October 30, 2009

**HOUSING AUTHORITY OF THE
CITY OF PONCHATOULA**

Ponchatoula, Louisiana

Schedule of Current Audit Findings and Questioned Costs
Fiscal Year Ended June 30, 2009

Summary Schedule of Auditor's Results:

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the authority.
2. There were no significant deficiencies required to be disclosed by *Government Auditing Standards* issued by the Comptroller General of the United States of America.
3. There were no instances of noncompliance considered material, as defined by the *Government Auditing Standards*, to the financial statements.
4. There were no significant deficiencies required to be disclosed by OMB A-133.
5. The auditor's report on compliance for the major federal award programs for the authority expresses an unqualified opinion on all major federal programs.
6. The audit disclosed no audit findings which the auditor is required to report under OMB A-133, Section 510(a).
7. The programs tested as major programs included:
 1. 14.872 Capital Fund Program

**HOUSING AUTHORITY OF THE
CITY OF PONCHATOULA**

Ponchatoula, Louisiana

**Schedule of Current Audit Findings and Questioned Costs (Continued)
Fiscal Year Ended June 30, 2009**

8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. The authority qualified as a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS
PROGRAMS AUDIT**

None

Schedule 2

**HOUSING AUTHORITY OF THE
CITY OF PONCHATOULA**

Ponchatoula, Louisiana

Schedule of Prior Year Audit Findings
Fiscal Year Ended June 30, 2009

There were no findings in the prior audit.

Schedule 3

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA
Ponchatoula, Louisiana

Schedule of Compensation Paid to Board Members
Fiscal Year Ended June 30, 2009

Board members serve without compensation

SCHEDULE 4

Housing Authority of the City of Ponchatoula
Ponchatoula, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

<i>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</i>	<i>CFDA #</i>	<i>Federal Expenditures</i>
U.S. Department of Housing and Urban Development:		
Direct Programs:		
Low Rent Public Housing	14.850a	\$ 248,489
Housing Choice Voucher Program	14.871	237,612
Public Housing Capital Fund Program	14.872	275,933
Total Federal Expenditures		<u>\$ 762,034</u>

See accompanying notes to schedule of expenditures of federal awards.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

NOTE A – General

The accompanying Schedule of Expenditures of Federal Awards presents all of the Federal awards programs of the Authority. The authority reporting entity is defined in Note 1 to the basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies are included in this schedule.

NOTE B – Basis of accounting

The accompanying Schedule of Expenditures of Federal Awards Programs is presented using the accrual basis of accounting, which is described in Note 1 to the authority's basic financial statements.

NOTE C – Relationship to Basic Financial Statements

Federal awards revenues are reported in the authority's basic financial statements as follows:

Public and Indian Housing—Low Rent Program	248,489
Housing Choice Voucher Program	237,612
Capital Fund Program	275,933

NOTE D – Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with GAAP.

NOTE E- FEDERAL AWARDS

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. In accordance with HUD Notice PIH 9814, "federal awards" do not include the authority's operating income from rents or investments (or other Non-federal sources). In addition, the entire amount of operating subsidy received and/or accrued during the fiscal year is considered to be expended during the fiscal year.

Housing Authority of the City of Ponchatoula
Financial Data Schedule

Entity Wide Balance Sheet Summary

LA075

06/30/2009

Audited/A-133

	Project Total	14,871	COCC	Subtotal	ELJM	Total
111 Cash - Unrestricted	443724	83735		527459		527459
112 Cash - Restricted - Modernization and Development						
113 Cash - Other Restricted		44848		44848		44848
114 Cash - Tenant Security Deposits	20880			20880		20880
115 Cash - Restricted for Payment of Current Liabilities						
100 Total Cash	464604	128583		593187		593187
121 Accounts Receivable - PHA Projects						
122 Accounts Receivable - HUD Other Projects						
124 Accounts Receivable - Other Government						
125 Accounts Receivable - Miscellaneous						
126 Accounts Receivable - Tenants	260			260		260
126.1 Allowance for Doubtful Accounts - Tenants	0			0		0
126.2 Allowance for Doubtful Accounts - Other						
127 Notes, Loans, & Mortgages Receivable - Current						
128 Fraud Recovery						
128.1 Allowance for Doubtful Accounts - Fraud						
129 Accrued Interest Receivable						
120 Total Receivables, Net of Allowances for Doubtful Accounts	260	0		260		260
131 Investments - Unrestricted						

**Housing Authority of the City of Ponchatoula
Financial Data Schedule**

132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	28133		28133		28133
143 Inventories	8835		8835		8835
143.1 Allowance for Obsolete Inventories	0		0		0
144 Inter Program Due From					
145 Assets Held for Sale					
150 Total Current Assets	501832	128583	630415		630415
161 Land	78941		78941		78941
162 Buildings	5614321		5614321		5614321
163 Furniture, Equipment & Machinery - Dwellings	67146		67146		67146
164 Furniture, Equipment & Machinery - Administration	47084	13446	60530		60530
165 Leasehold Improvements	1073198		1073198		1073198
166 Accumulated Depreciation	-5235193	-13446	-5248639		-5248639
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	1645497	0	1645497		1645497
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due					
173 Grants Receivable - Non Current					
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Non-Current Assets	1645497	0	1645497		1645497
190 Total Assets	2147329	128583	2275912		2275912

**Housing Authority of the City of Ponchatoula
Financial Data Schedule**

311 Bank Overdraft						
312 Accounts Payable <= 90 Days	14705	321	15026		15026	
313 Accounts Payable >90 Days Past Due						
321 Accrued Wage/Payroll Taxes Payable	847	75	922	922		
322 Accrued Compensated Absences - Current Portion	4650	1000	5650	5650		
324 Accrued Contingency Liability						
325 Accrued Interest Payable						
331 Accounts Payable - HUD PHA Programs						
332 Account Payable - PHA Projects						
333 Accounts Payable - Other Government	30857		30857		30857	
341 Tenant Security Deposits	20880		20880		20880	
342 Deferred Revenues	47427		47427		47427	
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds						
344 Current Portion of Long-term Debt - Operating Borrowings						
345 Other Current Liabilities						
346 Accrued Liabilities - Other						
347 Inter Program - Due To						
348 Loan Liability - Current						
310 Total Current Liabilities	119366	1396	120762		120762	
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue						
352 Long-term Debt, Net of Current - Operating Borrowings						
353 Non-current Liabilities - Other						
354 Accrued Compensated Absences - Non Current	23944	20175	44119		44119	
355 Loan Liability - Non Current						
356 FASB 5 Liabilities						

Housing Authority of the City of Ponchatoula
Financial Data Schedule

357	Accrued Pension and OPEB Liabilities				
350	Total Non-Current Liabilities	23944	20175	44119	44119
300	Total Liabilities	143310	21571	164881	164881
508 1	Invested In Capital Assets, Net of Related Debt	1645497	0	1645497	1645497
509 2	Fund Balance Reserved				
511.2	Unreserved, Designated Fund Balance				
511.1	Restricted Net Assets		44848	44848	44848
512.1	Unrestricted Net Assets	358522	62164	420686	420686
512.2	Unreserved, Undesignated Fund Balance				
513	Total Equity/Net Assets	2004019	107012	2111031	2111031
600	Total Liabilities and Equity/Net Assets	2147329	128583	2275912	2275912

Housing Authority of the City of Ponchatoula
Financial Data Schedule

Entity Wide Revenue and Expense Summary

LA075	06/30/2009	Audited/A-133		Project Total	14.871	COCC	Subtotal	ELJM	Total
70300	Net Tenant Rental Revenue		257713				257713		257713
70400	Tenant Revenue - Other		1000				1000		1000
70500	Total Tenant Revenue		258713	0			258713		258713
70600	HUD PHA Operating Grants		282024	237612			519636		519636
70610	Capital Grants		242397				242397		242397
70710	Management Fee								
70720	Asset Management Fee								
70730	Book Keeping Fee								
70740	Front Line Service Fee								
70750	Other Fees								
70700	Total Fee Revenue								
70800	Other Government Grants								
71100	Investment Income - Unrestricted		7630	486			8116		8116
71200	Mortgage Interest Income								
71300	Proceeds from Disposition of Assets Held for Sale								
71310	Cost of Sale of Assets								
71400	Fraud Recovery								
71500	Other Revenue		15000				15000		15000

**Housing Authority of the City of Ponchatoula
Financial Data Schedule**

71600	Gain or Loss on Sale of Capital Assets					
72000	Investment Income - Restricted					
70000	Total Revenue	805764	238098		1043862	1043862
91100	Administrative Salaries	91723	2465		94188	94188
91200	Auditing Fees	9141	2581		11722	11722
91300	Management Fee					
91310	Book-keeping Fee					
91400	Advertising and Marketing	141			141	141
91500	Employee Benefit contributions - Administrative	33266	1584		34850	34850
91600	Office Expenses	11556	3430		14986	14986
91700	Legal Expense	790			790	790
91800	Travel	15858	39		15897	15897
91810	Allocated Overhead					
91900	Other	6885	2245		9130	9130
91000	Total Operating - Administrative	169360	12344		181704	181704
92000	Asset Management Fee					
92100	Tenant Services - Salaries					
92200	Relocation Costs					
92300	Employee Benefit Contributions - Tenant Services					
92400	Tenant Services - Other	726			726	726
92500	Total Tenant Services	726	0		726	726
93100	Water	9900			9900	9900
93200	Electricity	4890			4890	4890
93300	Gas	1042			1042	1042

93400 Fuel					
93500 Labor					
93600 Sewer	29273			29273	29273
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					
93900 Total Utilities	45105	0		45105	45105
94100 Ordinary Maintenance and Operations - Labor	65531			65531	65531
94200 Ordinary Maintenance and Operations - Materials and Other	18832			18832	18832
94300 Ordinary Maintenance and Operations Contracts	58252	323		58575	58575
94500 Employee Benefit Contributions - Ordinary Maintenance	20147			20147	20147
94900 Total Maintenance	162762	323		163085	163085
95100 Protective Services - Labor	154			154	154
95200 Protective Services - Other Contract Costs	17719			17719	17719
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95900 Total Protective Services	17873	0		17873	17873
96110 Property Insurance	17670			17670	17670
96120 Liability Insurance	7610			7610	7610
96130 Workmen's Compensation	7289			7289	7289
96140 All Other Insurance	4746			4746	4746
96190 Total Insurance Premiums	37315	0		37315	37315
96200 Other General Expenses					
96210 Compensated Absences	7407	2413		9820	9820

**Housing Authority of the City of Ponchatoula
Financial Data Schedule**

96300	Payments in Lieu of Taxes	21361		21361	21361
96400	Bad debt - Tenant Rents	936		936	936
96500	Bad debt - Mortgages				
96600	Bad debt - Other				
96800	Severance Expense				
96000	Total Other General Expenses	29704	2413	32117	32117
96710	Interest of Mortgage (or Bonds) Payable				
96720	Interest on Notes Payable (Short and Long Term)				
96730	Amortization of Bond Issue Costs				
96700	Total Interest Expense and Amortization Cost	0	0	0	0
96900	Total Operating Expenses	462845	15080	477925	477925
97000	Excess of Operating Revenue over Operating Expenses	342919	223018	565937	565937
97100	Extraordinary Maintenance	15381		15381	15381
97200	Casualty Losses - Non-capitalized				
97300	Housing Assistance Payments		187895	187895	187895
97350	HAP Portability-In				
97400	Depreciation Expense	170133	1962	172095	172095
97500	Fraud Losses				
97600	Capital Outlays - Governmental Funds				
97700	Debt Principal Payment - Governmental Funds				
97800	Dwelling Units Rent Expense				
90000	Total Expenses	648359	204937	853296	853296

**Housing Authority of the City of Ponchatoula
Financial Data Schedule**

10010 Operating Transfer In	26879		26879	26879	26879
10020 Operating transfer Out	-26879		-26879	-26879	-26879
10030 Operating Transfers from/to Primary Government					
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	0	0	0	0	0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	157405	33161	190566	190566	190566
11020 Required Annual Debt Principal Payments					
11030 Beginning Equity	1846614	73851	1920465	1920465	1920465
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors		0	0	0	0
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity		62164	62164	62164	62164
11180 Housing Assistance Payments Equity		44848	44848	44848	44848

Housing Authority of the City of Ponchatoula
Financial Data Schedule

11190 Unit Months Available	1296	720	2016	2016
11210 Number of Unit Months Leased	1275	613	1888	1888
11270 Excess Cash	307483		307483	307483
11610 Land Purchases	0		0	0
11620 Building Purchases	238942		238942	238942
11630 Furniture & Equipment - Dwelling Purchases	0		0	0
11640 Furniture & Equipment - Administrative Purchases	3455		3455	3455
11650 Leasehold Improvements Purchases	0		0	0
11660 Infrastructure Purchases	0		0	0
13510 CFFP Debt Service Payments	0		0	0
13901 Replacement Housing Factor Funds	0		0	0

**HOUSING AUTHORITY OF THE
CITY OF PONCHATOULA**

Ponchatoula, Louisiana

Status of Prior Year Management Letter Items
Fiscal Year Ended June 30, 2009

ML-2008-1 - Late Audit

This is not repeated